

Chapter 11

Task Assignment Agreements

Agreements with multiple tasks can be written in different ways. The following is a generalization of the extent of record keeping necessary to comply with the usual audit requirements and some of the pitfalls to avoid.

Labor Costs

Consultants and their subconsultants should maintain time sheets (cards/tickets) with coding to separately identify hours for each and every task order assignment or subtask order assignment. A master job charge coding chart should be maintained which identifies the task order by name and associated alpha/numeric designated code.

Pitfalls to avoid:

1. Changing a job code from one task number to another.
2. Using the same name or code for more than one task order.
3. Charges in excess of the established maximum amount payable for the individual task.
4. Charging for work performed before the authorized start date or after the authorized end date.

Direct Nonsalary Costs

For direct nonsalary costs (commonly termed reimbursables), the consultant and subconsultants need to identify on each vendor's invoice the appropriate task assignment number. For costs of in-house charges, sufficient coding must be included on the log sheets, mileage records, expense vouchers, or other source document. The auditor must be able to trace expenses to the source document. This coding should be done in a manner similar or identical to that used for the time sheets.

Pitfalls to avoid:

1. Splitting of outside vendor invoices between the various task assignment orders without a reasonable basis.
2. Failure to identify the task order that relates to the invoice or in-house cost.

Filing records associated with multiple task agreements.

The auditor must have access to the following types of information:

1. Task order documents.
2. Billings by task.
3. Original source documentation by task.

When setting up a filing system, the consultant should take care to ensure that the system allows easy access to information or data. Mixing the task information together often results in a difficult audit trail.

Sometimes, items such as time sheets, invoices, or other original documents are lost or misplaced and this leads to questioned costs unless they can be found. This adds to audit time and the consultant's frustration with the total audit process.

It should also be noted that all costs incurred on specific task assignments are considered direct costs. Such costs may not be transferred to overhead or to other tasks or projects simply because they were not paid during the normal process of progress billings.

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